Delaware and Hudson Canal Company, Excerpts from the Minutes of the Meetings of the Board of Directors, July 27, 1898—February 23, 1899

By S. Robert Powell, Ph.D.

Having read Delaware and Hudson Canal Company Minutes of Board of Directors Meetings (also meetings of subordinate committees of the Board of Directors and meetings of the D&H Stockholders), July 27, 1898--February 23, 1899 (meetings held in the Office of the Delaware & Hudson Canal Company, New York City), we have selected therefrom, for presentation here, data and facts that are important in the history of the Delaware and Hudson Canal Company and/or the Delaware and Hudson Railroad which are not generally known about the D&H or which are not reported in public or private documents or archives.

1) **Collision between a Troy City railway trolley car and a D&H train**
September 28, 1898: "The President stated that it would be necessary for the Board to take some action with regard to the collision between one of our trains and a trolley car of the Troy City Railway Company in Cahoes on September 5, 1898, for the purpose of effecting an agreement between the two companies as to the amount for which the Troy City Railway Company would assume all damages in the matter. / Upon motion, duly seconded, the President and General Counsel were authorized to make an agreement with the Troy City Railway, whereby, for a sum not exceeding $30,000, the Company should be indemnified against any claims for the accident at Cahoes."

2) **The D&H can save money by closing its Gravity Railroad and Canal and sending its coal directly from the mines to tidewater via the Erie Railroad**
October 17, 1898: A Special Meeting of the Board of Directors (Present: President Olyphant, Mr. Roosevelt, Mr. Van Santvoord, Mr. Orr, Mr. Depew, Mr. Taylor, Mr. Young, Mr. Astor, Mr. Hayes, Mr. Cromwell): "The President placed before the Board a communication from Second Vice President Young showing that the Erie Railroad Company by the acquisition of trackage rights over the Erie and Wyoming Valley Railroad was now in a position to transport the Company's coal direct from the mines to tidewater without its going over the Gravity Railroad and the Canal, and that by availing of this route and abandoning the Gravity Railroad and the Canal, a very large saving could be effected. Appended to the communication were opinions by Attorney Carr and General Counsel Willcox relative to the effect which the abandonment of the Canal would have upon the legal status of the Company. / Upon motion, duly seconded, the matter was referred to the Railroad Committee, to report as soon as possible to a special meeting to be called for the purpose, and copies of the communication and opinions were ordered furnished to all members of the Board."

3) **Regular meeting of the Board**
October 26, 1898: "The Railroad Committee submitted the following report upon the matter referred to at the last meeting of the Board, and upon motion, duly seconded, its recommendations were adopted with the provision that the first one should be carried out by the Railroad Committee instead of a Special Committee. / Report. New York, October 21, 1898. / To the Board of Managers of the Delaware and Hudson Canal Company / Your Railroad Committee, to whom was referred the special report of the Second Vice President and General Counsel in relation to the making of

additional contracts with the Erie Railway Company for the transportation of coal to tidewater directly from the mines without transfer, and thereby avoiding the use of the Gravity Railroad and Canal, beg to report. / That in their opinion great economies can be made by transporting coal direct from the mines to the Hudson River, and Weehawken, by existing railroads, without breaking bulk, over the present system of transportation by Gravity Railroad and Canal. / Your Committee in their limited time is not able to present to the Board actual statistics of savings to the Company by the change suggested, but it believes that transportation via the Gravity Railroad and Canal can be replaced by proper contracts with, or leases, on construction of Railroads with great profit to the Company. The scope of changes suggested, however, is so great affecting questions of finance, law and transportation that your Committee recommends / That a Special Committee be appointed to consider and report upon the subject of permanently abandoning the Gravity Railroad and Canal, and replacing them by other means of transportation. / That the President with advice of Counsel take such immediate action as will permit the Company to legally act in this matter. / That the making of a temporary contract with existing railroad lines, for the purposes of cheapening the cost of transporting coal from the mines to the Hudson River and Weehawken during the closing of the Canal in the winter season, be referred to the officer of this Company with full power to act. R. Somers Hayes, Chairman, H. G. Young, James Roosevelt." / **David Willcox elected a Director of the Delaware and Hudson Canal Company:** "The Board then proceeded to the election of a Director in place of Mr. James A. Roosevelt, deceased. Mr. David Willcox was nominated, and there being no other nominations, upon motion, duly seconded, he was unanimously elected to that office."

4) **C. H. Booth recognized as superior manager of Hotel Champlain**
October 26, 1898: "The president submitted the question of enlarging Hotel Champlain. After discussion, it was unanimously voted that the consideration of this matter should be laid over for year. / The President informed the Board that the profit upon the Hotel during the past season was in large measure due to the excellent supervision exercised over the management by our Cashier, Mr. C. H. Booth, and that in his judgment, he was entitled to some additional compensation, naming $750 as a suitable amount. Upon motion, duly seconded, he was authorized to pay such amount to Mr. Booth."

5) **Closing of the D&H Gravity Railroad**
Presented here (but not included in a *D&H Minutes* volume) is an article about the announcement of the closing of the Gravity Railroad that was published in the *Carbondale Leader*, Friday, October 28, 1898, p. 5: **"DO WE LOSE THE GRAVITY RAILROAD? / EXCITEMENT CAUSED BY AN ORDER ISSUED BY VICE PRESIDENT YOUNG, TODAY. / What the Abolishment of the Road Would Mean to This City—It Would Effect [sic] our Shops and Destroy the Small Towns along the Line—Officials Could Not Be Seen. /** The appended notice (given in the following paragraph) was posted in a conspicuous position at the office of the superintendent of the Delaware & Hudson Canal company this morning:

"Delaware & Hudson Canal Co. / OFFICE OF THE SECOND VICE PRESIDENT. /Albany, N. Y., October 28, 1898 / **PUBLIC NOTICE.** / Beginning January 1st, 1899, all passenger, freight and coal trains will discontinue running on the Gravity railroad until further notice. / H. G. YOUNG, /Second Vice President."

"The news spread like wild fire and hundreds of persons soon wended their way to the head of Main Street in order that they might read the notice and be convinced of its authenticity. A LEADER man visited the office for the purpose of learning the exact details from H. G. Young or superintendent C. R. Manville. He was told that both of these gentlemen had gone to Honesdale on the 11:10 a.m. Gravity train and when they returned from that place their destination was direct to the main office in Scranton.

"WILL IT BE PERMANENT? / By this order in the neighborhood of eight hundred men will be thrown out of employment and the deeper one proceeds into the details the more striking appears the situation. The discontinuing of the once prosperous Gravity railroad, should it prove permanent must necessarily cause the abandonment of the Gravity, car and blacksmith shops in this city. These things are not assured as yet, however, and it would be well for all not to borrow trouble prematurely.

"HUNDREDS WILL BE IDLE / For the past few years it has not been a secret that the officials of the road considered it was a losing enterprise. The decrease of orders for coal has been the principal cause and it finally reached the crisis of either abandoning the road or to run it at a loss. Hence the order that was given out today. / The order when it became generally known created considerable consternation among those who had little or no idea of the existing affairs—especially was this noticeable among those who will be especially affected, namely the men who have depended upon the Gravity railroad for a livelihood. In this city fully four hundred men will be laid idle should the worst come true. The effect upon Waymart residents and others along the line will be more severely felt as aside from farming it was the only occupation open to those living in that section. With no connection between Carbondale and those places except by telegraph or wagon it will be extremely serious to them.

"THE OUTPUT. / For the past few years the Delaware & Hudson company have been shipping coal over the gravity to New York and other distributing points to the amount of 600,000 to 4,500,000 tons yearly. By this new order these sales will not be lost but it is altogether probable that other means of transportation will be arranged. Rumor has it that plans have been made to transport coal over the Erie and Wyoming Valley railroad from Scranton, or Jersey's Junction or over the New York, Susquehanna and Western railroad from Minooka or Yatesville. There were rumors that the closing down of the Gravity would be only temporary to allow widening the tracks for the larger coal cars and the doing away with the present expensive system of transferage. / Of one thing we are assured the amount of anthracite mined in this section will not decrease, but the change will do away with many employes. The gravity cars now in use carry between four and five tons while the cars on the steam road have a capacity of 20,000 pounds. In fact the Pennsylvania company have and are now constructing cars that have a capacity of 100,000 pounds. In view of these facts it is at once apparent that the number of men per tonnage will decrease by a large percentage.

"THE PAY ROLL. / Just how business will be affected in Carbondale can readily be imagined when it is known that the pay roll on the Gravity railroad amounts to a figure between $15,000 and $20,000 per month. In addition to that amount are the earnings of those employed in and about the shops. / Regarding the disposition of the car and blacksmith shops nothing definite could be learned. In the opinion of one official in a position to know, the yard now used principally by the

Gravity department will be used for repairs, but before this is accomplished wide gauge tracks will be substituted for the narrow gauge now in use.

"HISTORY OF THE ROAD. / The completion of the gravity road of the Delaware & Hudson canal company in the year 1829 first established our communication with the outside world. [The railroad was not intended as a communication system.] The operation of the road was attended with great difficulty, arising from the breaking of the chains used on the inclined planes. In April 1830, tarred ropes were substituted for the chains. Freight was first regularly carried in 1833. [emphasis added by SRP] / The first carload of coal was shipped on October 9, 1829. The first coal was mined at the foot of Davis's plane, now known as No. 28, from the bed of the river by diverting the river from its channel and running a level into the hill. This coal was run out on a wheelbarrow. This was called Ingraham 's level. / The Delaware & Hudson machine shop was started in a small wooden building near the site of the present building soon after 1831. This was burned in 1845 and replaced by another wooden structure. This was burned in June, 1857, when the present stone building was erected.

"OTHER CHANGES / The D. & H. are also beginning other extensive changes in this city and vicinity. For some time they have been quietly buying up the farming properties northeast of the city near the D. K. Morss homestead. They have secured a good portion of the farms it is said and leased the surface of the major part of them to the lot owners. / They have, however, reserved for themselves the ravine running toward Crystal Lake and it is surmised they may in time run a road in that direction, giving them a new summer resort and also a separate northern outlet. / On the south side a large gang of men have been busy for some days in clearing the tract of land extending from St. Rose cemetery to the Powderly mine. It is a fine hillside location and will be used hereafter as a stock farm replacing the present company farm at Dunmore. The latter has now become very valuable for building lots and the location of the new farm in Carbondale means more to this city than would appear on first thought to the inexperienced in this line." (clipping in Gritman scrapbook from *Carbondale Leader*, Friday, October 28, 1898, p. 5)

6) **Three coal leases in Scranton executed by the D&H**
November 30, 1898: Regular meeting of the Board of Directors: "The President reported the execution of the following three Coal Leases, which, upon motion, duly seconded, were approved and confirmed, with (1) Mary A. Dickson and James A. Linen, Executors of the Estate of Thomas Dickson, (2) with J. A. Marvine, and (3) with Mary Fordham Kays. Leases conveying coal, except that contained in "Fourteen Foot Vein," and under adjoining properties in the Thirteenth Ward of the City of Scranton. Royalties for coal from Clark Vein, 40 cents per ton for sizes over Pea, 20 cents for Pea, and 10 cents for Buckwheat. For coal from other veins, 30 cents for sizes over Pea, 15 cents for Pea, and 7 1/2 cents for Buckwheat. Nothing for sizes smaller than Buckwheat, and no minimum rental."

7) **D&H to purchase 1142 gondola coal cars and 400 box cars**
December 1, 1898: Meeting of the Railroad Committee (Hayes, Roosevelt, Tillinghast, Young, and the President): "Several communications with regard to the disposition of the Gravity Railroad were submitted to the Committee, and after they were discussed the consideration of the matter was postponed until a further meeting. / Upon motion, duly seconded, it was decided to recommend to the Executive Committee the purchase of eleven hundred forty-two (1142) Gondola coal cars

and four hundred Box cars. / Executive Committee (Roosevelt, Taylor, Orr, and the President) met on December14, 1898, and endorsed the recommendation of the Railroad Committee, which, in turn, recommended to the Board of Directors that the cars be purchased."

8) **Disposition of Gravity Railroad and negotiations with Erie Railroad**
December 20, 1898: Railroad Committee Meeting: "Continuing the consideration of the disposition of the Gravity Railroad, the Second Vice President presented a report upon that subject, which will be held in abeyance pending the result of negotiations with the Erie Railroad."

9) **D&H applies for authorization to cease, use, and maintain the Canal and dispose of same as may seem judicious**
December 28, 1898:"Upon motion, duly seconded, the following resolution with regard to Canal was unanimously adopted: Resolved that the officers of this Company be, and they hereby are, authorized and directed to apply to the Legislature of the States of New York and Pennsylvania for such legislation as counsel may deem necessary to authorize the Company to cease use and maintain the Canal, and to lease, sell or otherwise dispose of the same as may seem judicious."

10) **D&H president authorized to buy tract of land in Olyphant**
Executive Committee meeting, January 11, 1899: "The President stated that this Company was offered for $60,000 a tract of land in Olyphant, adjoining that known as the Miles tract, now under lease, containing between 400,000 and 500,000 tons of coal. Upon motion, duly seconded, the President was authorized to purchase this property at not to exceed $60,000."

11) **D&H president requests permission to dismantle several Gravity planes**
January 25, 1899: "The President alluded to the fact that owing to the change of our Gravity Railroad to broad gauge, and the introduction of locomotives thereon, several of the planes would necessarily be abandoned, and suggested that authority be given for their dismantling. Upon motion, duly seconded, this matter was referred to the Executive Committee with power."

12) **D&H corporate name changed to The Delaware and Hudson Company**
February 23, 1899: "The question of the expense of changing the gauge of the Gravity Road from narrow to standard was brought up, and upon motion, duly seconded, was referred to the Railroad Committee with power. / In view of the enabling legislation in progress with reference to the Canal, the following resolution was unanimously adopted: Whereas it has become evident that the Company is able to fulfill its corporate purpose of opening and bringing to market a supply of stone coal which is found in the interior of the state of Pennsylvania more economically by rail over its own and other lines than by its Canal, therefore / Resolved That the company cease to operate its Canal and that the officers be and they hereby are authorized to take action as may be necessary by reason of this resolution. Mr. Willcox said that as we are now seeking legislative authority to cease operating the Canal, the time is opportune to procure from the same source a change in the corporate title of the Company and moved the following resolution, which was seconded and adopted. / Resolved That the officers of this Company be and they hereby are authorized and directed, under the advice of counsel, to take steps to change the corporate title of this Company from *The President, Managers and Company of the Delaware and Hudson Canal Company* to *The Delaware and Hudson Company."*

* * * * * * *